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vanke

CHINA VANKE CO., LTD.*

萬科企業股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 2202)

CONTINUING CONNECTED TRANSACTION LOAN FRAMEWORK AGREEMENT

THE LOAN FRAMEWORK AGREEMENT

On 2 November 2025, the Company entered into the Loan Framework Agreement with Shenzhen Metro Group, the substantial Shareholder of the Company, pursuant to which Shenzhen Metro Group agreed to provide the Loan to the Company in an aggregate principal amount of up to RMB22 billion. It primarily covers: (i) unsecured credit loans already provided by Shenzhen Metro Group to the Company pursuant to the Designated Agreements (as defined below) prior to the Effective Date; and (ii) secured loans to be provided by Shenzhen Metro Group to the Company on or after the Effective Date in Definitive Agreements, in accordance with the terms and conditions of the Loan Framework Agreement.

IMPLICATIONS UNDER THE LISTING RULES

As at the date of this announcement, Shenzhen Metro Group is a substantial Shareholder holding approximately 27.18% of the total issued share capital of the Company, and hence a connected person of the Company pursuant to Chapter 14A of the Listing Rules. Therefore, the Loan Framework Agreement and transactions contemplated thereunder (including the proposed Annual Cap and the provision of the Asset collateral) constitute a continuing connected transaction of the Company.

As one of the applicable percentage ratios in respect of the Loan Framework Agreement, exceeds 5%, it constitutes a continuing connected transaction of the Company and, together with the Proposed Annual Cap, are subject to the reporting, announcement, circular (including independent financial advice) and Independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

An Independent Board Committee has been established to advise the Independent Shareholders as to whether the terms of the transactions contemplated under the Loan Framework Agreement (including the proposed Annual Cap and the provision of the Asset Collateral) are fair and reasonable, on normal commercial terms, in the ordinary and usual course of business and whether they are in the interests of the Company and its Shareholders as a whole.

An Independent Financial Advisor has been appointed to advise the Independent Board Committee and the Independent Shareholders as to whether or not the terms of the Loan Framework Agreement (including the proposed Annual Cap and the provision of the Asset Collateral) are fair and reasonable, on normal commercial terms, in the ordinary and usual course of business so far as the Independent Shareholders are concerned and are in the interest of the Company and the Shareholders as a whole.

EGM

The EGM will be convened for the Shareholders to consider and, if thought fit, approve, among other things, the Loan Framework Agreement (including the proposed Annual Cap and the provision of the Asset Collateral).

For holders of H Shares who intend to attend the EGM, the shares and the registration documents must be delivered to the Company's H Share Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong no later than 4:30 p.m. on Monday, 17 November 2025. The holders of H Shares whose names appear on the H Shares register of members of the Company on Monday, 17 November 2025 are entitled to attend and vote in respect of the resolutions to be proposed at the EGM.

A circular containing, among other things, (i) details of the Loan Framework Agreement (including the proposed Annual Cap and the provision of the Asset Collateral); (ii) a letter from the Independent Board Committee with its recommendation to the Independent Shareholders; (iii) a letter of advice from the Independent Financial Advisor to the Independent Board Committee and the Independent Shareholders; and (iv) a notice convening the EGM is expected to be despatched to the Shareholders no later than 10 November 2025.

THE LOAN FRAMEWORK AGREEMENT

On 2 November 2025, the Company entered into the Loan Framework Agreement with Shenzhen Metro Group, the substantial Shareholder of the Company, pursuant to which Shenzhen Metro Group agreed to provide the Loan to the Company in an aggregate principal amount of up to RMB22 billion.

The principal terms of the Loan Framework Agreement are set out below:

Date: 2 November 2025

Parties: (a) the Company (as borrower); and
(b) Shenzhen Metro Group (as lender).

Loan:

The maximum loan amount of RMB22,000,000,000 that the Company intends to draw, or has already drawn, during the period from 2025 to the date of the Company's annual general meeting for 2025, which is expected to be held no later than 30 June 2026 (the “**Available Period**”). It primarily covers: (i) unsecured credit loans already provided by Shenzhen Metro Group to the Company pursuant to the Designated Agreements (as defined below) prior to the Effective Date; and (ii) secured loans to be provided by Shenzhen Metro Group to the Company on or after the Effective Date in Definitive Agreements, in accordance with the terms and conditions of the Loan Framework Agreement.

Subject to the terms and conditions of the Loan Framework Agreement, the Company may draw down the Loan in multiple tranches during the Available Period. The Company and Shenzhen Metro Group shall separately enter into Definitive Agreements for the relevant drawdowns.

Any execution of the Definitive Agreement(s) for the Loan must be completed not later than the expiry of the Available Period, and the aggregate loan amount (including the principal amounts drawn and to be drawn) shall not exceed RMB22,000,000,000 under the Available Period.

Term:

The term of the Loan Framework Agreement shall be three years from the Effective Date, subject to extension as agreed between the parties.

Unless otherwise agreed or extended, the term of each Definitive Agreement for the Loan made under the Loan Framework Agreement shall be no more than three years, as determined between the parties under the Definitive Agreement. The outstanding principal of the Loan, together with accrued interest (if any), shall be repaid in full on or before the date falling three years from the Effective Date, unless all such amounts remain valid pursuant to a renewal or extension of the Loan Framework Agreement and/or the relevant Definitive Agreement(s) (as the case may be). In the event of such renewal or extension, the Company shall re-comply with the reporting, announcement and/or Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules as and when required.

As agreed between the parties, upon the Loan Framework Agreement becoming effective, some loan agreements (the “**Designated Agreements**”) already entered into by the parties from the beginning of 2025, being pure credit loans not secured by any asset collateral, will constitute Definitive Agreements and the principal amount already drawn thereof shall form part of the Loan amount under the Loan Framework Agreement. Provided that the provisions under the Designated Agreements do not contravene the terms and conditions of the Loan Framework Agreement, applying the Loan Framework Agreement to such Designated Agreements serves a mean to achieve the provision of Asset Collateral under those Designated Agreements. Details of the Designated Agreements are set out in the sub-section headed “Designated Agreements” below in this announcement.

As at the date of this announcement, (i) the Designated Agreements have an aggregated maximum principal amount of approximately RMB20.373 billion, among of which, approximately RMB19.71 billion has been drawn down by the Company; (ii) the undrawn balance under the Designated Agreements, amounting to approximately RMB0.663 billion, is no longer available to the Company as the drawdown periods under the respective Designated Agreements have expired; and (iii) accordingly, the Company may draw down an additional new loan principal of approximately RMB2.29 billion under the Loan Framework Agreement, subject to potential adjustment as detailed in the next paragraph.

In addition to the pure unsecured shareholders loans listed in the sub-section headed “Designated Agreements” below in this announcement, for other loans between the Company and Shenzhen Metro Group that have occurred since 2025 (as detailed in the sub-section headed “BASIS FOR DETERMINING THE INTEREST RATE OF THE LOAN AND THE LOAN-TO-VALUE RATIO OF THE ASSET COLLATERAL, AND REASONS FOR AND BENEFITS OF THE LOAN FRAMEWORK AGREEMENT AND TRANSACTIONS CONTEMPLATED THEREUNDER – Historical borrowing and collateral arrangements” below, which have complied with the reporting, announcement and/or Independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules as applicable), if the initially agreed-upon collateral requires replacement due to the inability to implement the collateral arrangement, the corresponding borrowing amounts shall also be included as part of the Loan and hence utilise the Loan.

Interest of the Loan:

Subject to compliance with applicable laws and regulations, the interest rate of the Loan for each drawdown shall be the higher of: (i) 2.34%; or (ii) prevailing one-year LPR minus 66 basis points (i.e., LPR-0.66%), calculated on an annualized basis using the simple interest method. The interest would accrue on a daily basis from the actual drawdown date and settled mostly on a quarterly basis (except for one Designated Agreement as disclosed below in the sub-section headed “Designated Agreements”). When the relevant Loan is due under the Definitive Agreement, the remaining accrued interest shall be settled together with the principal. These interests are intended to be funded by the Group’s internal resources. The interest rate and payment terms of each Loan shall be specified in the corresponding Definitive Agreement.

The interest rate is determined on normal commercial terms or better, after arm's length negotiations and with reference to the considerations set out in the paragraphs headed "BASIS FOR DETERMINING THE INTEREST RATE OF THE LOAN AND THE LOAN-TO-VALUE RATIO OF THE ASSET COLLATERAL, AND REASONS FOR AND BENEFITS OF LOAN FRAMEWORK AGREEMENT AND THE TRANSACTIONS CONTEMPLATED THEREUNDER" of this announcement. The Company will ensure that, before entering into Definitive Agreement for the Loan, each interest rate will be fair, reasonable and no less favourable than the normal commercial terms provided by Independent Third Parties.

Use of the Loan:

The proceeds from the Loan shall be used to repay and settle the principal and interests accrued under various debts issued by the Company in the open market and the designated loan interests accrued as agreed by Shenzhen Metro Group. The Company shall not use the Loan for any other purposes without Shenzhen Metro Group's written consent. For details, please refer to the section headed "BASIS FOR DETERMINING THE INTEREST RATE OF THE LOAN AND THE LOAN-TO-VALUE RATIO OF THE ASSET COLLATERAL, AND REASONS FOR AND BENEFITS OF LOAN FRAMEWORK AGREEMENT AND THE TRANSACTIONS CONTEMPLATED THEREUNDER" of this announcement.

Conditions precedent:

The Loan Framework Agreement shall become effective upon fulfilment of the following conditions:

- (1) the seals of both parties having been affixed; and
- (2) all necessary authorisations or approval of the Loan Framework Agreement and the Annual Cap thereunder (including the Independent Shareholders' approval by the Company at the general meeting) having been obtained in accordance with their articles of association of both parties and the applicable laws, regulations and the listing rules (including the Listing Rules).

The aforementioned conditions precedent are not waivable by the parties. As at the date of this announcement, condition precedent (1) above has been satisfied.

Credit enhancement measures:

The Company shall provide the Asset Collateral in favour of Shenzhen Metro Group, serving as security for the each of loan(s) (which constitute the Loan) under the Loan Framework Agreement. The parties shall separately enter into Definitive Agreements for the relevant Asset Collateral, which set out provisions including, among other matters, the respective rights and obligations of the parties, the applicable loan-to-value ratio, the procedures for execution and release of the Asset Collateral and the liabilities arising from any breach of the agreement.

The Asset Collateral shall include legal operating properties, fixed assets, inventories, construction in progress, stocks and/or equity interests held by the Group in unlisted companies. If the Asset Collateral has defects or is subject to commercial disputes or other rights restrictions, the Company shall use the best endeavours to eliminate such defects, ensure that the relevant assets are eligible for collateral, or remove any impediment to Shenzhen Metro's Group exercise of its security rights, failing which Shenzhen Metro Group reserves the right to require the Company to provide new collateral or to repay part of the Loan in advance within a specified period.

Security level. The initial security level of provision of the Asset Collateral is determined based on a loan-to-value ratio of 60% to 70% in the case of operating properties, fixed assets, inventories, construction in progress and stocks (as the case may be), and 50% to 60% in the case of equity interests held by the Group in unlisted companies, calculated using the following formula:

$$\text{Loan-to-value ratio} = A / B$$

Where:

A = the total sum of principal accrued of the Loan under the relevant Definitive Agreement

B = the value of the Asset Collateral under the relevant Definitive Agreement, as determined by the valuation results from the appraisal agencies to be appointed by both parties

The Company will ensure that, before entering into Definitive Agreement for the Asset Collateral, each security level of the Asset Collateral will be fair, reasonable and no less favourable than the normal commercial terms acceptable to Independent Third Parties. The value of the relevant Asset Collateral shall be appraised and determined by an independent valuer with the requisite qualifications recognized by both parties. The choice of valuation method shall be determined by the independent valuer based on a comprehensive assessment of the appraisal target, type of value, completeness of available information and prevailing market conditions, with an appropriate methodology adopted after evaluating its applicability.

If the value of the Asset Collateral decreases such that the loan-to-value ratio exceeds the above threshold, the Company shall, within the period specified by Shenzhen Metro Group, provide new qualified Asset Collateral or repay part of the Loan; the specific arrangements will be set out in the security agreement to be signed by the parties. Also, if the Asset Collateral becomes subject to title dispute, seizure or distraint, the Company shall promptly notify Shenzhen Metro Group and provide other security acceptable to it.

Early release. If the Company makes an early repayment of the Loan in advance of the repayment schedule, the parties may release the Asset Collateral of corresponding value, to ensure that the applicable loan-to-value ratio remains no less than the specified initial security level stipulated above. Shenzhen Metro Group should actively cooperate with the relevant release procedures (if applicable).

Enforcement of security. Each Asset Collateral would become enforceable and disposable (in whole or in part) by Shenzhen Metro Group in accordance with applicable laws and regulations should the Company failed to fully and timely fulfil its repayment obligations in respect of the relevant Definitive Agreement for the Loan. The enforcement measures available for Shenzhen Metro Group may include, to the extent applicable: (i) selling the collateral to repay the debt under the Loan; (ii) exercising the collateral right by applying to the court for enforcement, thereby disposing of the collateral by discounting or auctioning it to repay the debt under the Loan; (iii) auctioning the collateral or obtaining proceeds in other forms for priority repayment in accordance with law; (iv) receiving priority repayment from dividends by virtue of the collateral; and/or (v) initiating legal proceedings in the People's Court or taking other necessary measures as prescribed by law. The relevant enforcement measures shall be governed by the separate Definitive Agreement for the Asset Collateral.

In the event that Shenzhen Metro Group enforces its security rights under the Definitive Agreements, it may result in a partial or complete transfer or disposal of the Asset Collateral. Consequently, the Group's assets (such as investment properties and inventory) and the associated business operations may shrink in scale. However, as the maximum amount of Asset Collateral is estimated to account for only approximately 2.63% to 3.68% of the Group's total assets based on its unaudited consolidated financial statements as at 30 June 2025, the anticipated impact on the operational and financial aspects of the Company would be considered to be limited in such regard.

In any event, to reduce the enforcement risk as illustrated above, the Company will make every effort to ensure the timely and full repayment of the principal and interests accrued under the Loan through its regular operations or various financing channels, and remain diligent in managing its business operations to provide for operating cashflows and support the timely repayment. In addition, the Company may separately agree with Shenzhen Metro Group in the Definitive Agreements that it may apply for an extension of the relevant separate Loan with Shenzhen Metro Group, subject to the latter's review and approval. In the event of an extension, the Company shall re-comply with the reporting, announcement and/or Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules as and when required. Accordingly, the risk associated with the enforcement of the Asset Collateral by Shenzhen Metro Group is considered to be controllable. Based on the above and the considerations set out in the section headed "BASIS FOR DETERMINING THE INTEREST RATE OF THE LOAN AND THE LOAN-TO-VALUE RATIO OF THE ASSET COLLATERAL, AND REASONS FOR AND BENEFITS OF LOAN FRAMEWORK AGREEMENT AND THE TRANSACTIONS CONTEMPLATED THEREUNDER", the Directors considered that the Asset Collateral is fair and reasonable and in the interest of the Company and the Shareholders as a whole.

If the Company fails to provide the necessary Asset Collateral for the loans actually drawn under the Loan, Shenzhen Metro Group has the right to demand immediate repayment of the principal and interest of such loans that have not been secured with the Asset Collateral.

Designated Agreements

The table below sets forth the details of each of the proposed Designated Agreements as at the date of this announcement:

No.	Transaction date	Maximum borrowing amount (RMB billion)	Drawdown amount (RMB billion)	Term (subject to potential extension)	Borrowing rate	Settlement Term of Interest
1	29 April 2025	3.3	3.129	36 months	LPR less 76 basis points	Accrued on a daily basis from the date of actual drawdown, and shall be settled on a quarterly basis
2	6 June 2025	3	3	No more than 36 months	LPR less 66 basis points	Accrued on a daily basis from the date of actual drawdown, and shall be settled with the principal at the expiry date of the term

No.	Transaction date	Maximum borrowing amount (RMB billion)	Drawdown amount (RMB billion)	Term (subject to potential extension)	Borrowing rate	Settlement Term of Interest
3	3 July 2025	6.249	6.249	No more than 3 years	LPR less 66 basis points	Accrued on a daily basis from the date of actual drawdown, and shall be settled on a quarterly basis
4	3 July 2025 (originally signed on 20 March 2025 and subsequently extended)	0.89	0.89	Extended to no later than 31 December 2025	LPR less 76 basis points	Accrued on a daily basis from the date of actual drawdown, and shall be settled on a quarterly basis
5	5 August 2025	1.681	1.189	No more than 3 years	LPR less 66 basis points	Accrued on a daily basis from the date of actual drawdown, and shall be settled on a quarterly basis
6	16 September 2025	2.064	2.064	No more than 3 years	LPR less 66 basis points	Accrued on a daily basis from the date of actual drawdown, and shall be settled on a quarterly basis
7	27 September 2025	0.989	0.989	1 year	LPR less 66 basis points	Accrued on a daily basis from the date of actual drawdown, and shall be settled on a quarterly basis
8	29 October 2025	2.200	2.200	No more than 3 years	LPR less 66 basis points	Accrued on a daily basis from the date of actual drawdown, and shall be settled on a quarterly basis
Total		20.373	19.71			

PROPOSED ANNUAL CAPS AND BASIS FOR DETERMINATION

The proposed Annual Caps in respect of the Loan Framework Agreement are set out below:

	For the period from the Effective Date to 31 December 2025	For the year ending 31 December 2026	For the year ending 31 December 2027	For the period from 1 January 2028 to the expiration date of the Loan Framework Agreement
Annual Cap for:				
Maximum principal amount	RMB22 billion	RMB22 billion	RMB22 billion	RMB22 billion
Estimated maximum accrued interest	RMB214.29 million	RMB566.28 million	RMB566.28 million	RMB343.82 million

For clarity, pursuant to the Loan Framework Agreement, the Loan is a one-time line of credit, and any repaid principal amount of the Loan under the relevant Definitive Agreements shall not refresh the total amount available for drawdown within the term of the Loan Framework Agreement.

The proposed Annual Caps were determined with reference to: (i) the total principal amount of the Loan available for drawdown under the Loan Framework Agreement at RMB22,000,000,000; (ii) the estimated maximum interest accrued in aggregate during the term of the Loan Framework Agreement, which is calculated based on the prevailing one-year LPR minus 66 basis points as at the date of this announcement (i.e., 2.34%), multiplying it by the maximum principal amount and adding a buffer of 10% (interest already accrued not applicable) with reference to the one-year LPR trend in recent years, to contemplate for potential rise of one-year LPR during the term; (iii) the unsecured previous shareholder's loans provided by Shenzhen Metro Group to the Company in 2025 and up to the date of this announcement, with an aggregated principal amount drawn of approximately RMB19.71 billion; and (iv) the potential financial needs of the Group as well as reasons for and benefits of entering into the Loan Framework Agreement detailed in the section headed "BASIS FOR DETERMINING THE INTEREST RATE OF THE LOAN AND THE LOAN-TO-VALUE RATIO OF THE ASSET COLLATERAL, AND REASONS FOR AND BENEFITS OF THE LOAN FRAMEWORK AGREEMENT AND TRANSACTIONS CONTEMPLATED THEREUNDER" below.

BASIS FOR DETERMINING THE INTEREST RATE OF THE LOAN AND THE LOAN-TO-VALUE RATIO OF THE ASSET COLLATERAL, AND REASONS FOR AND BENEFITS OF THE LOAN FRAMEWORK AGREEMENT AND TRANSACTIONS CONTEMPLATED THEREUNDER

The proceeds from the Loan would be used to repay and settle the principal and interests accrued under various debts issued by the Company in the open market and the designated loan interests accrued as agreed by Shenzhen Metro Group. As of the date of this announcement, the Loan has been or is expected to be used in whole or in part for the principal and/or interest of bonds issued in the public market as listed in the tables below:

Name of bonds	Abbreviation of bonds	Date of payment of principal and/or interest	Principal and/or interest repaid by the Loan (RMB billion)	Outstanding amount of principal and/or interest not yet due as of the date of this announcement (RMB billion)
Vanke Real Estate (Hong Kong) Co. Ltd., 3.15% 12may2025, USD (014) (XS2078641888)	VNKRLE 3.15 05/12/25	12/5/2025	3.129	0
China Vanke Co., Ltd. 2022 corporate bonds to qualified investors in public (second tranche) (variety I)	22 Vanke 03	6/6/2025	0.383	0
China Vanke Co., Ltd. medium-term notes in 2023 (third tranche)	23 Vanke MTN003	15/6/2025	0.061	2.061
China Vanke Co., Ltd. 2020 corporate bonds to qualified investors in public (third tranche) (variety II)	20 Vanke 06	19/6/2025	1.247	0
China Vanke Co., Ltd. medium-term notes in 2023 (fourth tranche)	23 Vanke MTN004	7/7/2025	0.061	2.061
China Vanke Co., Ltd. 2022 corporate bonds to professional investors in public (third tranche) (variety I)	22 Vanke 05	8/7/2025	2.993	0
China Vanke Co., Ltd. 2022 corporate bonds to professional investors in public (third tranche) (variety II)	22 Vanke 06	8/7/2025	0.019	0.537
China Vanke Co., Ltd. Green medium-term notes in 2022 (first tranche)	22 Vanke GN001	21/7/2025	3.090	0

Name of bonds	Abbreviation of bonds	Date of payment of principal and/or interest	Principal and/or interest repaid by the Loan (RMB billion)	Outstanding amount of principal and/or interest not yet due as of the date of this announcement (RMB billion)
China Vanke Co., Ltd. 2023 corporate bonds to professional investors in public (first tranche) (variety I)	23 Vanke 01	24/7/2025	0.062	2.062
China Vanke Co., Ltd. 2021 corporate bonds specialized in rental housing to professional investors in public (third tranche) (variety II)	21 Vanke 06	26/7/2025	0.024	0.724
China Vanke Co., Ltd. Green medium-term notes in 2022 (second tranche)	22 Vanke GN002	12/08/2025	1.189	0
China Vanke Co., Ltd. Green medium-term notes in 2022 (third tranche)	22 Vanke GN003	21/9/2025	2.064	0
China Vanke Co., Ltd. 2022 corporate bonds to professional investors in public (fourth tranche) (variety I)	22 Vanke 07	31/10/2025	2.2	0
Total			16.522	7.445

All abovementioned repaid principals and/or interests have been settled by Loan.

Name of bonds	Abbreviation of bonds	Date of payment of principal and/or interest	Principal and/or interest to be repaid (RMB billion)
China Vanke Co., Ltd. 2020 corporate bonds to qualified investors in public (fourth tranche) (variety II)	20 Vanke 08	13/11/2025	1.666
China Vanke Co., Ltd. medium-term notes in 2022 (fourth tranche)	22 Vanke MTN004	15/12/2025	2.060
China Vanke Co., Ltd. medium-term notes in 2022 (fifth tranche)	22 Vanke MTN005	28/12/2025	3.811
China Vanke Co., Ltd. 2021 corporate bonds specialized in rental housing to qualified investors in public (first tranche) (variety II)	21 Vanke 02	22/1/2026	1.144
Total			8.681

The Company shall arrange for the utilisation of the Loan to partially settle the principals and/or interests accrued under aforesaid bonds to be repaid based on actual funding needs at the time of repayments. Even though the size of the Loan does not cover the entire payables to the aforesaid bonds, the Board is of the view that, in light of Shenzhen Metro Group's contractual right to seek asset collateral in the existing Definitive Agreements and the potentially higher cost of capital incurred in securing new external financing from banks and/or financial institutions as detailed below, the proposed Loan and the associated Annual Cap is fair and reasonable. Regarding outstanding principals and interests accrued under the aforesaid bonds and the other bonds, the Company intends to settle them with the Group's operating cashflow and/or other external financing sources.

The Company has considered alternative financing such as financing originated from banks; however, taking into account the comprehensive cost of new domestic financing of 3.39% of the Group in the first half of 2025 (as disclosed in the 2025 interim report of the Company, which is a weighted average cost calculated using the scale of each relevant financing transaction during this period as the weighting factor, serving as a benchmark for market standard as the vast majority of the Group's new domestic financing and re-financing in the first half of 2025 originated from banks (excluding loans from Shenzhen Metro Group), with the financing cost primarily determined based on the LPR at the time of drawdown plus additional fixed margins that varied among different financing transactions), the Company considered that obtaining the Loan by entering into the Loan Framework Agreement would be prioritised for being the most effective way to raise funds for the Group. In addition, as disclosed in the section headed "THE LOAN FRAMEWORK AGREEMENT" above, the Company has been offered unsecured loans by Shenzhen Metro Group under the existing Designated Agreements. To ensure that the Loan are adequately secured with asset and reduce its financial risk, Shenzhen Metro Group has requested the provision of Asset Collateral in respect of the Designated Agreements and the Definitive Agreements after the Company obtains the requisite approval from Independent Shareholders for the Loan Framework Agreement and the transactions contemplated thereunder (including the provision of Asset Collateral). Furthermore, the interest rate of the Loan and the initial loan-to-value ratio of the Asset Collateral were determined through amicable negotiations between the parties at a level acceptable and mutually beneficial to both the Company and Shenzhen Metro Group, taking into account the prevailing market rates and standards as detailed below.

Historical borrowing and collateral arrangements

The table below sets forth the details of the similar historical borrowing and collateral arrangements between the Company and Shenzhen Metro Group:

No.	Transaction date	Maximum borrowing amount (RMB billion)	Term	Borrowing rate	Remark
1	10 February 2025	2.8	3 years from the date of the first drawdown	One-year LPR less 76 basis point	The Group has provided asset collateral by pledging 211,530,417 shares of Onewo Inc. at a value of RMB4 billion, with a loan-to-value ratio of 70%

No.	Transaction date	Maximum borrowing amount (RMB billion)	Term	Borrowing rate	Remark
2	14 May 2025 (loan agreement) 7 July 2025 (asset collateral)	1.552	No later than 15 May 2028	LPR less 76 basis points	The Group has provided asset collateral by pledging 116,887,490 shares of Onewo Inc. at a value of RMB2,215,714,286, with a loan-to-value ratio of 70%
3	21 February 2025 (loan agreement) 21 May 2025 (supplemental loan agreement)	4.2	No later than 14 March 2028	LPR less 76 basis points	The Group has provided asset collateral by pledging 316,863,015 shares of Onewo Inc. at a value of RMB6 billion, with a loan-to-value ratio of 70%
4	30 July 2025	0.869	No later than 2 July 2028	LPR less 66 basis points	The Group has provided corresponding asset collateral at a total value of RMB1.2972 billion, including investment properties and fixed assets with a loan-to-value ratio of 70%, and equity interests in unlisted subsidiaries with a loan-to-value ratio of 50%
Total		<u><u>9.421</u></u>			

For details, please refer to the Company's announcements dated 10 February, 14 May, 21 May, 3 July, 7 July and 30 July 2025.

Basis of determination

The Loan's interest rate and initial loan-to-value ratio of the Asset Collateral are similar to those of the similar historical borrowing and collateral arrangements between the Company and Shenzhen Metro Group as detailed in the table above, and taking into account (i) the interest rate of 2.34% or LPR minus 0.66% (i.e., 2.34% as at the date of this announcement) at the time of drawdown (whichever is higher) under the Loan Framework Agreement, which is lower than LPR (a centrally published market benchmark by the National Interbank Funding Center from time to time, which is widely adopted by PRC commercial banks for pricing corporate loans); and (ii) the loan-to-value ratios of 60% to 70% for operating properties, fixed assets, inventories, construction in progress and stocks, and 50% to 60% for equity interests held by the Group in unlisted companies, which are higher than or equal to the prevailing market standards of no less than six licensed banks in the PRC (including major representatives of state-owned commercial banks, joint-stock commercial banks and city commercial banks which, albeit on a non-exhaustive basis, are considered highly representative as they cover the principal types of domestic commercial banks) that ranges from 30% to 60% and 30% to 50%, respectively, the Company considered that the terms of the Transactions, while adhering to market-oriented principles, are more favorable as compared to the market rates. This fully reflects Shenzhen Metro Group's support for the Company.

As such, the interest rate under the Loan Framework Agreement and the loan-to-value ratio of the Asset Collateral, while adhering to market-oriented principles, are at least comparable to, or even more favorable than, the terms and rates obtained from the market. This fully reflects Shenzhen Metro Group's support for the Company. Based on the above, the Directors considered that the interest rate under the Loan Framework Agreement and the loan-to-value ratio of the Asset Collateral are fair and reasonable and in the interest of the Company and the Shareholders as a whole.

INTERNAL CONTROL MEASURES

In connection with the relevant drawdown of the Loan and in order to ensure the terms of the relevant Definitive Agreements are on normal commercial terms and fair and reasonable to the Company and Shareholders and are no less favourable to the Group than terms offered available to or from independent third parties, the Company has formulated the following internal control policies and adopted the following internal control measures:

- (i) with regard to any amount drawdown, the Company expects that the corresponding value of the Asset Collateral shall maintain at level as the unpaid principal amount of the relevant Loan divided by the specified loan-to-value ratio under the Definitive Agreements. The designated responsible personnel of the finance and fund management department of the Company will monitor any repaid Loan principal, the level of loan-and-value ratio and the status and value of each Asset Collateral, in order to apply to or communicate with Shenzhen Metro Group to release or replace (as the case may be) the Asset Collateral thereto on a monthly basis;

- (ii) designated responsible personnel of the finance and fund management department of the Company will closely monitor the outstanding Loan balances and interests to be repaid and report the latest status of the Loan granted to the finance department of the Company on a monthly basis to ensure that the proposed Annual Cap will not be exceeded. In the event the proposed Annual Cap is expected to be exceeded, the responsible staff would escalate the issue to the Board forthwith, and the Company would timely re-comply with the requirements under Chapter 14A of the Listing Rules;
- (iii) designated responsible personnel of the finance and fund management department of the Company will, before the signing of each Definitive Agreement under the Loan Framework Agreement: (a) check the published LPR; and (b) compare the interest rate of the Loan with those published on the official websites or provided in quotations by at least two major commercial banks or financial institutions that are independent, licensed and reputable commercial lenders in the PRC. They serve as a benchmark of prevailing market standards for loans with similar terms, the comparison with which will help determine whether the interest rate charged under each Loan is in line with or better than the market rates and the Definitive Agreements are entered into on normal commercial terms. If the terms obtained through the above methods are more favorable to the Group than those provided in accordance with the Loan Framework Agreement, the finance and fund management department may not proceed with approving the proposed Definitive Agreement to be signed;
- (iv) in selecting the appropriate Asset Collateral for each loan, the Company will designate responsible personnel of the finance and fund management department to determine the Asset Collateral through mutual agreement between the Company and Shenzhen Metro Group. While Shenzhen Metro Group may prioritise qualified assets with higher liquidity and security level as Asset Collateral, the Company shall undergo the below process in selecting such assets for Asset Collateral:
 - (a) the Company will comprehensively consider the current operating status of the relevant assets, their role in the Company's overall planning and annual objectives, the assets' book value, its contribution to the Group's finance and operation, the potential impact on the Group if such assets were enforced by Shenzhen Metro Group, and the pledge/mortgage conditions of such assets. The goal is to select a relatively suitable assets as Asset Collateral while minimizing any impact on the Company's normal operations as well as financing and liabilities status; and
 - (b) at the group level, a list of proposed assets for Asset Collateral will be generated by the Company. After communication and confirmation with the Group's regional companies or business units, the final proposed Asset Collateral with the assessment based on the above criteria will be passed to the Group's investment and financing committee for approval. Subsequently, a specific Definitive Agreement for the Asset Collateral will be signed with Shenzhen Metro Group and the relevant procedures will be completed;

- (v) the Company will designate responsible personnel regarding the engagement of the independent valuer and the valuation of the Asset Collateral, with the detailed mechanism set out below:
- (a) evaluation of the valuer will be jointly undertaken by Shenzhen Metro Group and the Group, with personnel from Shenzhen Metro Group's finance, cost, legal and audit departments, as well as that from the Group's finance and fund management department and the legal department;
 - (b) selection of the valuer will be conducted by an invitation tender process, whereby invitations would be sent to leading institutions based on their industry rankings and the evaluation process will involve merit-based selection, taking into account comprehensively the relevant experience, working team's composition, industry ranking, valuation work plan and fees, as well as quality assurance mechanism;
 - (c) it is expected that no less than three potential valuers will be invited to participate in the tender process;
 - (d) in accordance with the requirements of "Asset Appraisal Law of the People's Republic of China (《中華人民共和國資產評估法》)" and the "Measures for Financial Supervision and Administration of the Asset Appraisal Industry (《資產評估行業財政監督管理辦法》)", the valuer, once selected, shall comply with the "Basic Standards for Asset Appraisal (《資產評估基本準則》)" issued by the Ministry of Finance and a series of asset appraisal standards promulgated by the China Asset Appraisal Association. Based on factors such as the appraisal purpose, appraisal object, value type and data collection, one to two applicable methods are selected from the three standard valuation methods, namely the market approach, income approach and cost approach, as well as their derivative methods; and
 - (e) the appraisal date will be determined based on the applicable circumstances of the appraisal subject, and will be as close as possible to the date of signing the agreement for the relevant Asset Collateral, so as to accurately reflect their value, which shall not be earlier than one year prior to the date of signing such agreement;
- (vi) after the selection and execution of the Asset Collateral, the Company and Shenzhen Metro Group shall regularly assess the value of the relevant assets, either through internal evaluations based on operational and book value conditions, or by engaging third parties for periodic valuation assessments. If the assets value has declined substantially (e.g., to the extent that the relevant loan-to-value ratio exceeds the initially specified level), the Company may be required to provide additional or replacement assets in accordance with Shenzhen Metro Group's requirements. The process for supplementing or replacing assets is consistent with the internal control procedures for selecting and valuing the Asset Collateral as mentioned in sub-paragraphs (iv) and (v) above;
- (vii) the Company's external auditor will conduct an annual review of the transactions entered into under the Loan Framework Agreement to ensure that the transaction amount is within the proposed Annual Cap and the transactions is in accordance with the terms set out in the Loan Framework Agreement; and

- (viii) the independent non-executive Directors will conduct an annual review of the status of the transactions contemplated under the Loan Framework Agreement to ensure that the Company has complied with its internal approval process and the relevant requirements under the Listing Rules.

In light of the above, the Directors consider that the internal control mechanism is effective to ensure that the transactions contemplated under the Loan Framework Agreement have been and will be conducted on normal commercial terms and not prejudicial to the interests of the Company and the Shareholders as a whole. The Board considers that the internal control procedures adopted in respect of the transactions contemplated under the Loan Framework Agreement are appropriate and that they will give sufficient assurance to the Shareholders that the Transactions under the Loan Framework Agreement will be appropriately monitored by the Company.

INFORMATION OF THE PARTIES

1. Information on the Group

The Company is a joint stock limited company incorporated in the PRC on 30 May 1984, and its H shares are listed on the Main Board of Hong Kong Stock Exchange and its A shares are listed on the Shenzhen Stock Exchange. The Company is principally engaged in property development and property investment in the PRC.

2. Information on Shenzhen Metro Group

Shenzhen Metro Group, incorporated on 31 July 1998, is a large-scale state-owned proprietary enterprise under the direct control of the Shenzhen State-owned Assets Supervision and Administration Commission. Shenzhen Metro Group is principally engaged in metro constructions, rail operations, property development, commercial operations, property management, engineering investigations and design, etc. Shenzhen Metro Group has undertaken the construction of the “Combination of Three Rails into One” (“三鐵合一”) project, combining national railways, intercity railways and urban rail transit, and the operation of the “four-in-one” (“四位一體”) core value chain consisting of railway construction, railway operation, station-city development and resource management, and is striving to build up an open, innovative and inclusive “Railway+” ecosystem.

IMPLICATIONS UNDER THE LISTING RULES

As at the date of this announcement, Shenzhen Metro Group is a substantial Shareholder holding approximately 27.18% of the total issued share capital of the Company, and hence a connected person of the Company pursuant to Chapter 14A of the Listing Rules. Therefore, the Loan Framework Agreement and the transactions contemplated thereunder (including the proposed Annual Cap and the provision of the Asset Collateral) constitute a continuing connected transaction of the Company.

As one of the applicable percentage ratios in respect of the Loan Framework Agreement, exceeds 5%, it constitutes a continuing connected transaction of the Company and, together with the Proposed Annual Cap, subject to the reporting, announcement, circular (including independent financial advice) and Independent Shareholders’ approval requirement under Chapter 14A of the Listing Rules.

The related Directors, namely Mr. HUANG Liping and Mr. LEI Jiansong, have abstained from voting on the Board resolution in respect of this matter. Save for the aforesaid, none of the other Directors has any material interest in this matter, and no Director is required to abstain from voting on this resolution approving the Loan Framework Agreement (including the proposed Annual Cap and the provision of the Asset Collateral).

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

An Independent Board Committee has been established to advise the Independent Shareholders as to whether the terms of the transactions contemplated under the Loan Framework Agreement (including the proposed Annual Cap and the provision of the Asset Collateral) are fair and reasonable, on normal commercial terms, in the ordinary and usual course of business and whether they are in the interests of the Company and its Shareholders as a whole.

An Independent Financial Advisor has been appointed to advise the Independent Board Committee and the Independent Shareholders as to whether or not the terms of the Loan Framework Agreement (including the proposed Annual Cap and the provision of the Asset Collateral) are fair and reasonable, on normal commercial terms, in the ordinary and usual course of business so far as the Independent Shareholders are concerned and are in the interest of the Company and the Shareholders as a whole.

EGM

The EGM will be convened for the Shareholders to consider and, if thought fit, approve, among other things, the Loan Framework Agreement (including the proposed Annual Cap and the provision of the Asset Collateral).

In accordance with the Listing Rules, any Shareholders who has a material interest in the Loan Framework Agreement and the transactions contemplated thereunder shall abstain from voting on the resolutions to approve the Loan Framework Agreement and the transactions contemplated thereunder at the EGM. As at the date of this announcement, 3,242,810,791 A Shares were directly held by Shenzhen Metro Group, representing approximately 27.18% of the total issued share capital of the Company. Accordingly, Shenzhen Metro Group will be required to abstain from voting on the relevant resolutions at the EGM.

Save as disclosed above, to the best of knowledge, information and belief of the Directors, having made all reasonable enquiries, no other Shareholder has a material interest in the transactions and will be required to abstain from voting on the relevant resolutions to approve the Loan Framework Agreement (including the proposed Annual Cap and the provision of the Asset Collateral) at the EGM.

For holders of H Shares who intend to attend the EGM, the shares and the registration documents must be delivered to the Company's H Share Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong no later than 4:30 p.m. on Monday, 17 November 2025. The holders of H Shares whose names appear on the H Shares register of members of the Company on Monday, 17 November 2025 are entitled to attend and vote in respect of the resolutions to be proposed at the EGM.

A circular containing, among other things, (i) details of the Loan Framework Agreement (including the proposed Annual Cap and the provision of the Asset Collateral); (ii) a letter from the Independent Board Committee with its recommendation to the Independent Shareholders; (iii) a letter of advice from the Independent Financial Advisor to the Independent Board Committee and the Independent Shareholders; and (iv) a notice convening the EGM is expected to be despatched to the Shareholders no later than 10 November 2025.

DEFINITIONS

Unless the context requires otherwise, capitalised terms used in this announcement shall have the meanings as follows:

“A Share(s)”	domestic ordinary shares of RMB1.00 each in the share capital of the Company, which are listed on the Shenzhen Stock Exchange (stock code: 000002) and traded in RMB
“A Shareholder(s)”	holder(s) of the A Share(s)
“Annual Cap(s)”	the proposed annual cap(s) pursuant to the Loan Framework Agreement, as set out in the section headed “Proposed Annual Caps and Basis of Determination” in this announcement
“Asset Collateral”	the collateral or pledge of assets to be provided by the Company in favor of Shenzhen Metro Group, serving as security for the separate loan(s) to be made under the Loan Framework Agreement
“Available Period”	has the meaning ascribed to it under this announcement
“Board”	the board of Directors
“Company”	China Vanke Co., Ltd.* (萬科企業股份有限公司), a joint stock company established in the PRC with limited liability on 30 May 1984, the H Shares of which are listed on the Hong Kong Stock Exchange (stock code: 2202) and the A Shares of which are listed on the Shenzhen Stock Exchange (stock code: 000002)
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Definitive Agreement(s)”	definitive loan agreements or security documents (as the case may be) entered into or to be entered into between the Company and Shenzhen Metro Group pursuant to the Loan Framework Agreement in respect of the Loan and/or the Asset Collateral, which also include the Designated Agreements
“Designated Agreement(s)”	has the meaning ascribed to it under this announcement
“Director(s)”	the director(s) of the Company

“EGM”	the extraordinary general meeting of the Company to be convened to consider and, if thought fit, approve, among other things, the Loan Framework Agreement (including the proposed Annual Cap and the provision of the Asset Collateral), the details of which will be further disclosed in the notice convening the EGM, or any adjournment thereof
“Effective Date”	the date on which all the condition precedents under the Loan Framework Agreement are satisfied
“Executive Director(s)”	the executive director(s) of the Company
“General Meeting”	the general meetings convened by the Company from time to time
“Group”	the Company and its subsidiaries
“H Share(s)”	the overseas listed foreign share(s) of the Company, with nominal value of RMB1.00 each, which are listed on the Stock Exchange (stock code: 2202) and traded in Hong Kong dollars
“H Shareholder(s)”	holder(s) of the H Share(s)
“H Share Registrar”	Computershare Hong Kong Investor Services Limited
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Hong Kong Stock Exchange” or “Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Independent Non-executive Director(s)”	the independent non-executive director(s) of the Company
“Independent Board Committee”	the independent board committee comprising all the Independent Non-executive Directors, namely Mr. Liu Tsz Bun Bennett, Mr. Lim Ming Yan, Dr. Shum Heung Yeung Harry and Mr. Zhang Yichen, established to advise the Independent Shareholders in respect of the Loan Framework Agreement (including the proposed Annual Cap and the provision of the Asset Collateral)
“Independent Financial Adviser”	OCTAL Capital Limited, a corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, which has been appointed as the independent financial adviser to make the relevant recommendation to the Independent Board Committee and the Independent Shareholders in relation to the Loan Framework Agreement (including the proposed Annual Cap and the provision of the Asset Collateral)

“Independent Shareholder(s)”	the Shareholders other than Shenzhen Metro Group and its associates
“Independent Third Party(ies)”	an individual or a company which, to the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, is not a connected person of the Company within the meaning of the Listing Rules and is/are third party(ies) independent of the Company and its connected person
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan”	the loan in the aggregate principal amount of up to RMB22,000,000,000 to be provided by Shenzhen Metro Group to the Company, in accordance with and subject to the terms and conditions of the Loan Framework Agreement
“Loan Framework Agreement”	the framework agreement on shareholder loan and asset collateral dated 2 November 2025 entered into between the Company and Shenzhen Metro Group in respect of the Loan, with a proposed term of three years from the Effective Date, subject to extension as agreed between the parties
“loan-to-value ratio”	the security level for the collateral or pledge of assets under the relevant Asset Collateral, the calculation formula for which is set out in this announcement
“LPR”	the loan prime rate as published by the National Interbank Funding Center (authorized by the People’s Bank of China) as at the applicable day prior to the drawdown date of the Loan
“Non-executive Director(s)”	the non-executive director(s) of the Company
“PRC” or “China”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	A Share(s) and H Share(s)
“Shareholder(s)”	shareholder(s) of the Company

“Shenzhen Metro Group”	Shenzhen Metro Group Co., Ltd. (深圳市地鐵集團有限公司), a stateowned proprietary enterprise established in the PRC on 31 July 1998, which primarily engages in metro constructions, rail operations, property development, commercial operations, property management, engineering investigations and design, etc. and is an existing substantial Shareholder of the Group and a connected person of the Company
“substantial Shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“%”	per cent

**The Board of Directors
China Vanke Co., Ltd.***

Shenzhen, the PRC, 2 November 2025

As at the date of this announcement, the Board comprises Mr. YU Liang and Ms. WANG Yun as executive Directors; Mr. HUANG Liping, Mr. HU Guobin and Mr. LEI Jiangsong as non-executive Directors; and Mr. LIU Tsz Bun Bennett, Mr. LIM Ming Yan, Dr. SHUM Heung Yeung Harry and Mr. ZHANG Yichen as independent non-executive Directors.

* For identification purpose only